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Housing Wealth Gains for the Rising Middle-Class Markets

National Association of REALTORS® Research Group

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Summary

Homeownership is the primary source of wealth creation among families and results in many economic and societal benefits.[1] Housing wealth is mainly built by price appreciation gains. Over the past 30 years, single-family existing-home sales prices have increased at an annual pace of 4.3% as of 2021 Q4, with home prices accelerating at a faster annual pace of 8.3% over the past 10 years. Due to strong price growth, homeowners are reaping large wealth gains from homeownership. As of 2021 Q4, at the national level, a homeowner who purchased a typical single-family existing-home 10 years ago at the median sales price of $162,600 is likely to have accumulated $229,400 in housing wealth, of which 86% came from price appreciation.

This study looks at the distribution of housing wealth between 2010 and 2020 across income groups and in 917 metropolitan or micropolitan areas. For this study, NAR identified “middle-income” households as those with income of over 80% to 200% of the area median income. NAR identified rising middle-income class housing markets as markets that had the largest increase in the number of middle-class owner-occupied housing units in 2020 compared to 2010.

In dollar terms, housing wealth in 917 metropolitan or micropolitan metro areas rose to $24.1 trillion in 2020 from $15.9 trillion in 2010, an increase of $8.2 trillion, with 6.3 million more homeowner households reaping the wealth gains from homeownership.

Among 917 metropolitan/micropolitan areas, 529 areas, or 58%, had an increase in the number of middle-income households from 2010 to 2020. The top five rising middle-income housing markets with at least 50,000 more middle-income homeowner households were Phoenix-Mesa-Scottsdale (103,690), Austin-Round Rock (61,323), Nashville-Davidson-Murfreesboro-Franklin (55,252), Dallas-Fort Worth-Arlington (53,421), and Houston-The Woodlands-Sugarland (52,716).

The metro areas with a rising middle-income class of homeowners have achieved phenomenal wealth gains. Over a 10-year period as of 2021 Q4, the largest net price gains (as a percent of the purchase price) were in Phoenix-Mesa Scottsdale (275.3%), Atlanta-Sandy Springs (274.7%), Las Vegas-Henderson-Paradise (251.7%), Cape Coral-Fort Myers (233.9%), and Riverside-San Bernardino-Ontario (207.6%). Price gains will vary depending on the property’s location and condition. REALTORS® can assist buyers and sellers in pricing the property to maximize the wealth accumulation and financial returns from homeownership.

1 Source: Federal Reserve Board Survey of Consumer Finance, 2019. In 2019, the median value of any asset held by renter households was estimated at $3,100, or just 1.4% of the median value of primary residence held by homeowners estimated at $225,000. Even just among homeowners, the median value of a primary residence accounted for 57.1% of the median value of any asset held (financial or non-financial) by homeowners estimated at $393,800.

Summary

Among areas that lost middle-income households, the largest declines of at least 20,000 households were in New York-Newark-New Jersey City (-100,214), Los Angeles-Long Beach-Anaheim (-73,839), Chicago-Naperville-Elgin (-34,420), Boston-Cambridge-Newton (-28,953), Detroit-Warren-Dearborn (-25,405), and Philadelphia-Camden-Wilmington (-22,129).

Unfortunately, as home prices have become less affordable, the distribution of housing wealth has worsened in the past decade, with low- and middle-income households sharing less of the housing wealth pie. Of the $8.2 trillion in housing wealth accumulated from 2010 through 2020, high-income homeowners accounted for $5.8 trillion, or 71% of the wealth accumulation. Among middle-income homeowners, total housing wealth increased by $2.1 trillion, or 26% of the housing wealth gains, with 980,000 additional middle-income homeowner households. Among low-income homeowners, housing wealth rose by $296 billion, or 4% of the housing wealth gain with 5.8 million fewer low-income homeowner households.

Low-income homeowners comprised a smaller fraction of all homeowners in 2020, at just 27.2%, down from 38.1% in 2010, with nearly 5.8 million fewer lower-income households that were homeowners from 2010 through 2020. There were 979,143 more middle-income homeowners over this decade, but they comprised a smaller fraction of homeowners in 2020, at 43%, from 45.5% in 2010. High-income homeowners made up a larger fraction, at 29.8%, from 16.4% in 2010, with 11.1 million more high-income households in 2020 compared to 2010.

Since the Great Recession, the homeownership rate has declined across all income groups, with the largest decline in the middle-income homeownership rate, falling from 78.1% to 69.7%. Smaller rates of decline in homeownership rates were observed for low-income households, at two percentage points, and high-income households, at four percentage points.

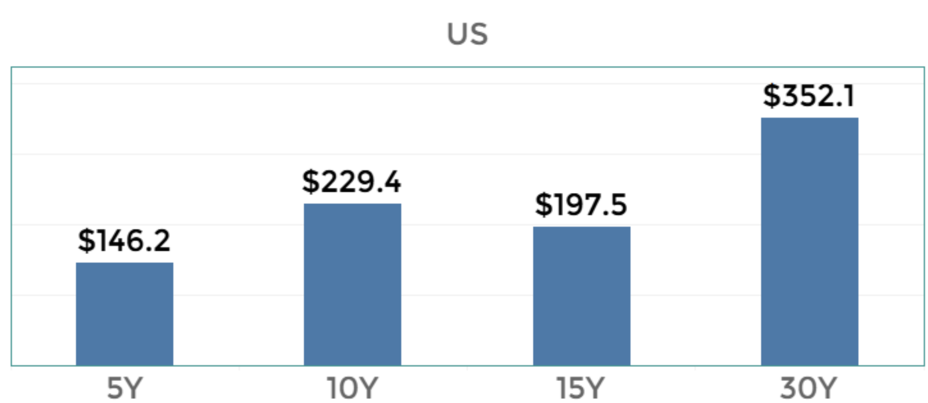
A more equitable distribution of housing wealth necessitates policies that will make housing more affordable for low- and middle-income households. These policies include 1) addressing the shortages in capital and lending for the development of affordable housing; 2) incentivizing shifts in local zoning to increase quantity of developable residential space; 3) promoting the conversion of unutilized commercial space; and 4) using federal resources to address rising construction costs and raw material and labor shortages.[2]

2 Source: Housing is Critical Infrastructure, National Association of REALTORS® commissioned study prepared by the Rosen Consulting Group; https://www.nar.realtor/advocacy/housing-is-critical-infrastructure

Housing Wealth Gains as of 2021 Q4

As of 2021 Q4, the median single-family existing-home sales price rose by at least 10% in 67% of 183 metro areas tracked by NAR. Homeowners who move typically stay in their home for 10 years. Nationally, a homeowner who purchased a typical single-family existing home ten years ago in 2011 Q4 at the median sales price of $162,600 is likely to have accumulated $229,400 in home equity arising (from paying off the mortgage and the home price appreciation) if the home were sold at the median sales price of $360,700 in 2021 Q4. While home prices fell about 30% during the Great Recession, home prices have increased since then such that a homeowner who purchased a home just five years ago would have accumulated $146,200 in housing wealth. For homeowners like the Baby Boomers who purchased a home 30 years ago, they have gained $352,100 in housing wealth. These home equity gains enable Baby Boomers to tap into the equity to supplement retirement income or to use towards the purchase of a smaller home or even a second home.

Housing Wealth Gains on a Typical Single-family Existing Home Purchased 5, 10, 15, 30 Years Ago as of 2021 Q4 ($'000)



Home Equity Gains = Principal Payment + Price Gains

	Housing wealth gains	Principal payment	Price gain	% Annual price chg.
30 years	$352.1	$93.6	$258.5	4.3%
15 years	$197.5	$55.8	$141.7	3.4%
10 years	$229.4	$31.2	$198.1	8.3%
5 years	$146.2	$20.9	$125.3	8.9%

Source: NAR calculations. Principal repayment is based on a 30-year fixed rate 10% down payment mortgage. The annual percent change is a compounded annual growth rate.

Distribution of Housing Wealth by Income Group from 2010 to 2020

Over the past 30 years, single-family existing-home sales prices have increased at an annual pace of 4.3% as of 2021 Q4, with home prices accelerating at a faster annual pace of 8.3% over the past 10 years. With mortgage rates and inventory of homes for sale hitting 50-year lows in 2020 and 2021, nearly two-thirds of 183 metro areas tracked by NAR witnessed double-digit increases in the median single-family existing-home sales price.

Rising housing prices benefit homeowners, but if prices become highly unaffordable, low- and middle-income households cannot share in the wealth creation arising from homeownership. This study looks at the distribution of housing wealth between 2010 and 2020 across income groups in 917 metropolitan or micropolitan areas over a 10-year period.

Methodology to identify the middle-class housing markets

For this study, the "middle-income" group is delineated as the households with income of over 80% to 200% of the area median income.[3] Households with income below this range were categorized as "low-income" and households above this range were classified as "high-income."

Owner-occupied housing wealth is estimated as the number of owner-occupied housing units multiplied by the average value of property in the metro area. NAR used the American Community Survey 2020, 1-year PUMS to estimate housing wealth, which is the latest data that is available that can be used for this study.

NAR identified the rising middle-class housing markets as markets with the largest increase in middle-class income homeowners in 2020 compared to 2010. Using only the number of middle-income class homeowners yields a pure or real effect as compared to using housing wealth which can increase if prices are rising steeply even if the number of middle-income households falls during the 10-year period.

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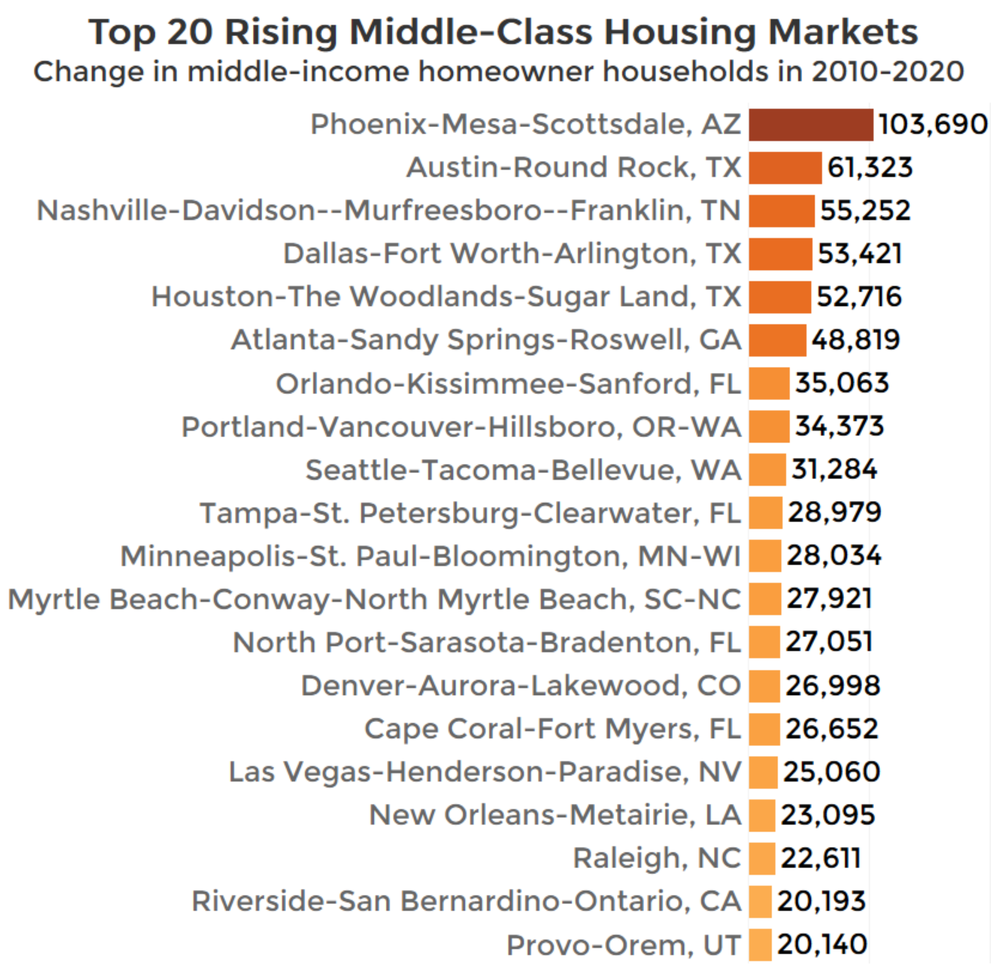
3 The 80% lower threshold takes into account the Federal Housing Finance Agency's definition of a "low income" borrower as a borrower with an income of at or below 80% of the area median income. See " FHFA Announces New Refinance Option for Low-Income Families with Enterprise-Backed Mortgages", https://www.fhfa.gov/Media/PublicAffairs/Pages/FHFA-Announces-New-Refinance-Option-for-Low-Income-Families-with-Enterprise-Backed-Mortgages.aspx. The 200% upper threshold is based on income limit of programs that are intended to assist individuals and households, such as the Economic Impact Payment (EIP) that capped income eligibility to $150,000 if married filing jointly, which is slightly more than double the median family income of $67,521 in 2020. See "Third Economic Impact Payment", https://www.irs.gov/coronavirus/third-economic-impact-payment

Rising Middle-Class Housing Markets

From 2010 through 2020, there were nearly 980,000 more middle-income homeowner households in 529 metropolitan/micropolitan areas, or 58% of 917 areas. The top five rising middle-income class housing markets with at least 50,000 more middle-income homeowner households were in the South and West regions: Phoenix-Mesa-Scottsdale (103,690), Austin-Round Rock (61,323), Nashville-Davidson-Murfreesboro-Franklin (55,252), Dallas-Fort Worth-Arlington (53,421), and Houston-The Woodlands-Sugarland (52,716).

In the Phoenix metro area, total housing wealth increased by $79.4 billion arising from 103,690 new middle-class homeowners and the increase in median property values, at $108,968.

However, in terms of the total increase in housing wealth held by the middle-class, the largest gain in housing wealth was in San Francisco-Hayward-Oakland, at $152 billion, as the median property value increased by $265,771.



Source: NAR tabulation of 2020 American Community Survey

Rising Middle-Class Housing Markets

Rising Middle-Class Housing Markets from 2010 through 2020

	Change in owner-occupied homes	Change in aggregate housing wealth	Price change	Median income (2020)	Percent income change	Percent price change
Phoenix-Mesa-Scottsdale, AZ	103,690	$79.4B	$108,968	$82,161	8.4%	59.6%
Austin-Round Rock, TX	61,323	$45.4B	$116,629	$98,245	7.6%	57.1%
Nashville-Davidson--Murfreesboro--Franklin, TN	55,252	$35.0B	$93,920	$84,659	8.6%	50.3%
Dallas-Fort Worth-Arlington, TX	53,421	$75.0B	$91,427	$88,441	5.5%	59.1%
Houston-The Woodlands-Sugar Land, TX	52,716	$51.5B	$66,674	$82,411	2.7%	46.1%
Atlanta-Sandy Springs-Roswell, GA	48,819	$45.0B	$57,846	$87,347	6.5%	31.5%
Orlando-Kissimmee-Sanford, FL	35,063	$25.4B	$88,078	$77,006	10.8%	50.5%
Portland-Vancouver-Hillsboro, OR-WA	34,373	$42.7B	$134,219	$95,622	9.7%	47.4%
Seattle-Tacoma-Bellevue, WA	31,284	$86.3B	$131,235	$111,396	8.6%	36.9%
Tampa-St. Petersburg-Clearwater, FL	28,979	$30.7B	$74,592	$70,893	7.6%	47.6%
Minneapolis-St. Paul-Bloomington, MN-WI	28,034	$24.3B	$51,456	$99,474	7.8%	21.9%
Myrtle Beach-Conway-N. Myrtle Beach, SC-NC	27,921	$7.6B	$38,515	$63,631	4.8%	21.9%
North Port-Sarasota-Bradenton, FL	27,051	$16.6B	$85,336	$77,597	6.5%	44.0%
Denver-Aurora-Lakewood, CO	26,998	$64.1B	$167,840	$100,788	6.3%	63.4%
Cape Coral-Fort Myers, FL	26,652	$13.4B	$86,081	$71,423	5.5%	56.8%
Las Vegas-Henderson-Paradise, NV	25,060	$34.1B	$149,293	$71,492	3.6%	89.1%
New Orleans-Metairie, LA	23,095	$9.8B	$33,016	$65,431	4.7%	19.2%
Raleigh, NC	22,611	$16.6B	$52,898	$96,843	8.1%	23.5%
Riverside-San Bernardino-Ontario, CA	20,193	$62.9B	$143,510	$81,701	3.1%	59.7%
Provo-Orem, UT	20,140	$12.3B	$136,735	$89,344	9.8%	57.5%
Salt Lake City, UT	19,749	$23.9B	$122,692	$91,725	12.2%	49.4%
Louisville/Jefferson County, KY-IN	19,012	$9.2B	$41,885	$74,339	5.6%	27.3%
Ogden-Clearfield, UT	18,836	$16.0B	$117,386	$93,813	6.1%	51.9%
Charleston-North Charleston, SC	18,288	$9.2B	$59,097	$79,407	5.5%	29.7%
Port St. Lucie, FL	17,219	$11.2B	$115,967	$65,278	-3.3%	78.1%
Boise City, ID	15,267	$13.2B	$122,820	$73,979	6.1%	66.9%
Colorado Springs, CO	14,990	$12.4B	$121,310	$83,422	0.9%	53.4%
Lancaster, PA	14,676	$6.2B	$40,387	$85,502	10.8%	20.5%
Grand Rapids-Wyoming, MI	14,286	$6.5B	$51,151	$78,440	8.5%	33.8%
San Diego-Carlsbad, CA	13,916	$66.5B	$196,440	$102,649	6.5%	47.3%
Tucson, AZ	13,042	$7.8B	$45,690	$70,174	5.7%	25.7%
San Antonio-New Braunfels, TX	12,922	$17.4B	$59,349	$71,296	3.4%	43.6%
Hilton Head Island-Bluffton-Beaufort, SC	12,896	$6.1B	$35,197	$76,988	2.8%	12.8%
San Francisco-Oakland-Hayward, CA	12,816	$152.0B	$265,771	$141,248	7.9%	43.3%
Deltona-Daytona Beach-Ormond Beach, FL	12,189	$7.8B	$79,201	$66,002	6.7%	50.8%
Pensacola-Ferry Pass-Brent, FL	11,473	$3.3B	$37,556	$71,336	4.6%	23.5%
Charlotte-Concord-Gastonia, NC-SC	11,440	$13.6B	$46,761	$79,024	8.2%	26.6%
Punta Gorda, FL	10,976	$3.3B	$62,063	$67,253	14.9%	36.2%
El Paso, TX	10,228	$3.4B	$18,519	$55,358	12.0%	15.9%
Des Moines-West Des Moines, IA	10,205	$4.7B	$35,746	$87,838	4.0%	22.0%

Source: NAR tabulation of 2020 American Community Survey

10-Year Net Price Gains in Rising Middle-Class Housing Markets as of 2021 Q4

In the rising middle-income class housing markets, homeowners built significant gains from homeownership over the past 10 years. The gains from the price appreciation on a typical single-family home are immense. A homeowner who purchased a typical home 10 years ago and sold the home in 2021 Q4 at the median sales price would have gained 80% to 275% of the purchase price. For example, in the Phoenix-Mesa-Scottsdale metro area, the median sales price increased by $327,000, or roughly three times the median sales price in 2011. In these rising middle-income markets, the median sales price increased annually by 6% to 14% from 2011 Q4 through 2021 Q4.

Housing Wealth Gains in Metro Areas With Rising Middle-Class as of 2021 Q4

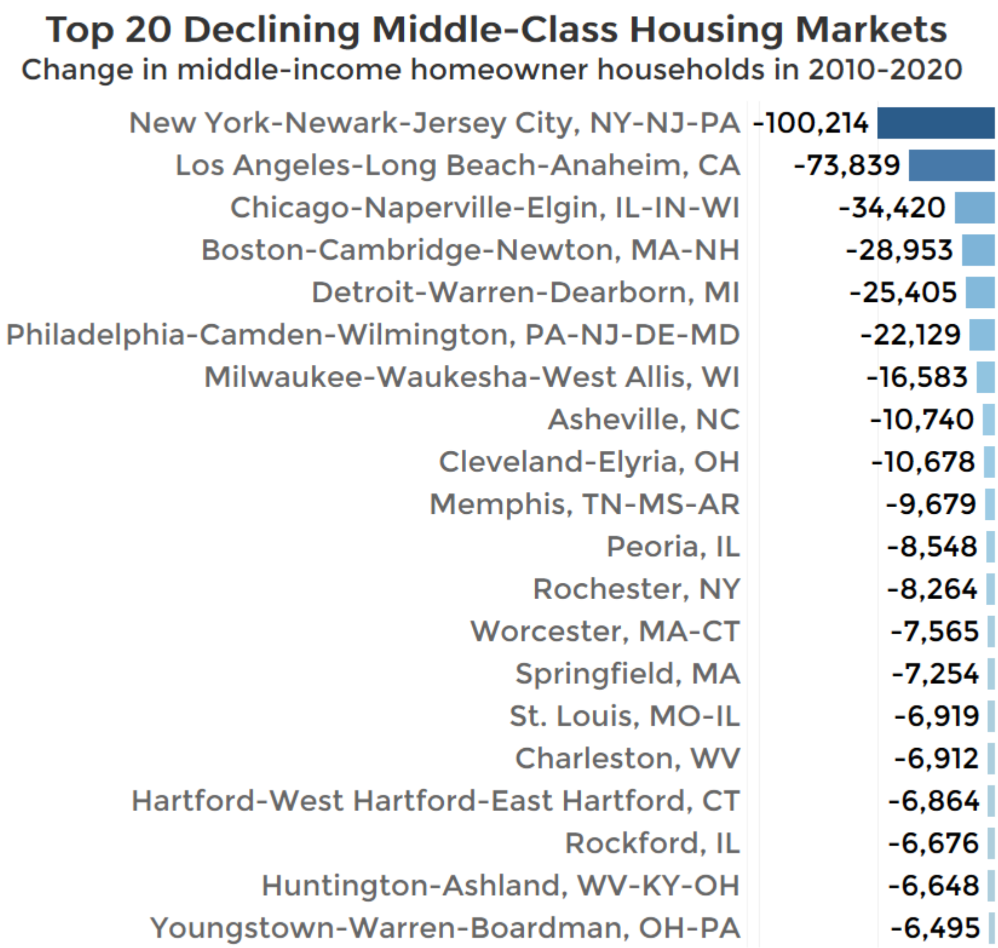
	Median Price in 2011 Q4	10-Yr Equity Gain	10-Yr Cumulative Principal Payments	10-Yr Price Gain	Price Gain to Purchase Price	Annual % Price Chg
Phoenix-Mesa-Scottsdale, AZ	$118.8	$349.8	$22.8	$327.0	275.3%	14.1%
Atlanta-Sandy Springs-Marietta, GA	$90.6	$266.3	$17.4	$248.9	274.7%	14.1%
Las Vegas-Henderson-Paradise, NV	$121.8	$330.0	$23.4	$306.6	251.7%	13.4%
Cape Coral-Fort Myers, FL	$113.8	$288.1	$21.9	$266.2	233.9%	12.8%
Riverside-San Bernardno-Ontario, CA	$172.3	$390.8	$33.1	$357.7	207.6%	11.9%
Salt Lake City, UT	$164.9	$372.5	$31.7	$340.8	206.7%	11.9%
Tampa-St.Petersburg-Clearwater, FL	$119.0	$258.9	$22.9	$236.0	198.3%	11.5%
Orlando-Kissimmee-Sanford, FL	$130.0	$275.0	$25.0	$250.0	192.3%	11.3%
North Port-Sarasota-Bradenton, FL	$150.0	$313.8	$28.8	$285.0	190.0%	11.2%
Denver-Aurora-Lakewood, CO	$230.7	$431.2	$44.3	$386.9	167.7%	10.3%
Seattle-Tacoma-Bellevue, WA	$267.6	$483.8	$51.4	$432.4	161.6%	10.1%
Austin-Round Rock, TX	$188.3	$333.3	$36.2	$297.1	157.8%	9.9%
Nashville-Davidsn-Murfreesboro-Frankln,TN	$150.2	$250.8	$28.9	$221.9	147.7%	9.5%
Dallas-Fort Worth-Arlington, TX	$146.2	$231.9	$28.1	$203.8	139.4%	9.1%
Minneapolis-St Paul-Blmngtn, MN-WI	$150.2	$230.7	$28.9	$201.8	134.4%	8.9%
Raleigh, NC	$185.3	$269.3	$35.6	$233.7	126.1%	8.5%
Houston-The Woodlands-Sugar Land, TX	$155.9	$191.0	$30.0	$161.0	103.3%	7.4%
Portland-South Portland, ME	$209.2	$253.8	$40.2	$213.6	102.1%	7.3%
Myrtle Bch-Conway-North Myrtle Bch, SC-NC	$172.0	$183.1	$33.1	$150.0	87.2%	6.5%
New Orleans-Metairie, LA	$148.2	$146.2	$28.5	$117.7	79.4%	6.0%

Source: NAR

Declining Middle-Class Housing Markets

Among the metro areas that lost middle-income households, the largest declines were in New York-Newark-New Jersey City, Los Angeles-Long Beach-Anaheim, Chicago-Naperville-Elgin, Boston-Cambridge-Newton, and Detroit-Warren-Dearborn, and Philadelphia-Camden-Wilmington, at least 20,000 fewer middle-income homeowner households.

The largest decrease in housing wealth was in the Chicago metro area (-$3.4 billion). Housing wealth increased in the Los Angeles metro area ($164 billion) and the New York metro area ($59.4 billion) even as these markets lost middle-income homeowners because of the large price increases in these markets.



Source: NAR tabulation of 2020 American Community Survey

Declining Middle-Class Housing Markets

Declining Middle-Class Housing Markets from 2010 through 2020

	Change in owner-occupied homes	Change in aggregate housing wealth	Price change	Median income (2020)	Percent income change	Percent price change
New York-Newark-Jersey City, NY-NJ-PA	-100,214	$59.4B	$43,441	$103,277	3.7%	10.7%
Los Angeles-Long Beach-Anaheim, CA	-73,839	$164.5B	$188,937	$94,815	6.0%	42.4%
Chicago-Naperville-Elgin, IL-IN-WI	-34,420	($3.4B)	$9,069	$91,259	5.8%	3.8%
Boston-Cambridge-Newton, MA-NH	-28,953	$43.3B	$97,670	$114,776	6.7%	26.5%
Detroit-Warren-Dearborn, MI	-25,405	$29.4B	$54,866	$79,213	7.9%	40.6%
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	-22,129	$6.0B	$8,325	$92,104	4.6%	3.2%
Milwaukee-Waukesha-West Allis, WI	-16,583	($1.9B)	$23,576	$79,284	2.0%	11.5%
Asheville, NC	-10,740	($0.7B)	$56,931	$65,416	10.8%	30.5%
Cleveland-Elyria, OH	-10,678	$2.0B	$9,743	$72,910	3.9%	6.4%
Memphis, TN-MS-AR	-9,679	$1.7B	$20,562	$63,762	2.3%	15.5%
Peoria, IL	-8,548	($0.7B)	($5,972)	$76,495	6.0%	-4.3%
Rochester, NY	-8,264	$2.8B	$18,108	$78,685	6.6%	13.8%
Worcester, MA-CT	-7,565	$4.8B	$28,390	$95,382	6.4%	10.6%
Springfield, MA	-7,254	($0.6B)	$20,539	$73,845	1.1%	9.4%
St. Louis, MO-IL	-6,919	$6.5B	$11,375	$80,712	5.4%	6.9%
Charleston, WV	-6,912	($0.2B)	$9,625	$56,048	2.1%	9.0%
Hartford-West Hartford-East Hartford, CT	-6,864	($2.9B)	($15,407)	$100,697	5.7%	-5.8%
Rockford, IL	-6,676	($1.4B)	($6,699)	$66,470	-1.0%	-4.7%
Huntington-Ashland, WV-KY-OH	-6,648	($0.8B)	$9,571	$58,435	11.0%	10.0%
Youngstown-Warren-Boardman, OH-PA	-6,495	($0.4B)	$10,121	$62,234	9.7%	9.7%
Miami-Fort Lauderdale-West Palm Beach, FL	-6,471	$58.2B	$107,312	$69,976	2.5%	53.1%
Danville, VA	-5,994	($0.5B)	$30,379	$44,750	0.8%	34.7%
Shreveport-Bossier City, LA	-5,968	$0.6B	$22,737	$48,954	-6.9%	20.4%
Manchester-Nashua, NH	-5,862	($0.2B)	$34,461	$93,970	-3.7%	13.3%
Cedar Rapids, IA	-5,673	$0.1B	$36,448	$71,962	-2.7%	26.9%
Fayetteville, NC	-5,596	($0.9B)	$26,559	$58,864	5.7%	20.9%
Oxnard-Thousand Oaks-Ventura, CA	-5,388	$12.5B	$170,607	$106,359	2.5%	37.9%

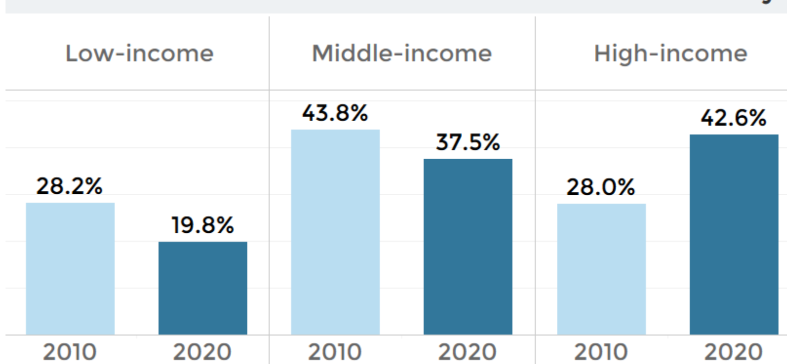
Source: NAR tabulation of 2020 American Community Survey

Distribution of Housing Wealth by Income Group from 2010 to 2020

Unfortunately, as home prices have become less affordable, the distribution of housing wealth has worsened in the past decade, with low- and middle-income households sharing less of the housing wealth pie. In dollar terms, owner-occupied housing wealth in 917 metropolitan or micropolitan metro areas rose to $24.1 trillion in 2020 from $15.9 trillion in 2010, an increase of $8.2 trillion. The largest housing wealth accumulation was among high-income homeowners, totaling $5.8 trillion, or 71% of the total increase in housing wealth. Among middle-income homeowners, total housing wealth increased by $2.1 trillion, or 26% of the wealth gain. Among low-income homeowners, the total housing wealth increased by $296 billion, or 4% of the wealth gain.

From 2010 to 2020, the share of low and middle-income homeowners to total housing wealth decreased while the share of high-income homeowners increased. The share of total housing wealth of the low- and middle-income groups declined as they comprised a lower fraction of the number of homeowners. The share to total housing wealth of middle-income homeowners shrank from 43.8% in 2010 to 37.5% in 2020, a decline of six percentage points. The share of the low-income homeowners shrank even more by nearly 10 percentage points from 28.2% to 19.8%. Conversely, the share of high-income homeowners to total housing wealth rose to 42.6% in 2020 from 28.0% in 2010, or an increase of nearly 15 percentage points.

The share to housing wealth of high-income homeowners increased in 2020 from 2010 nationally.



Owner-occupied housing wealth in billion dollars

	2010	2020
Owned by low-income group	$4,495B	$4,791B
Middle-income housing wealth	$6,983B	$9,054B
Owned by high-income group	$4,460B	$10,293B
Total	$15,938B	$24,138B

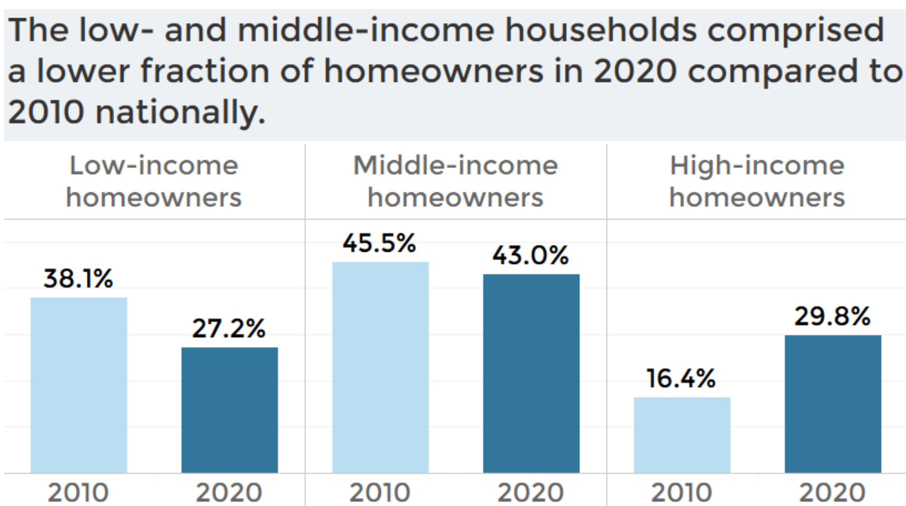
Number of homeowner households

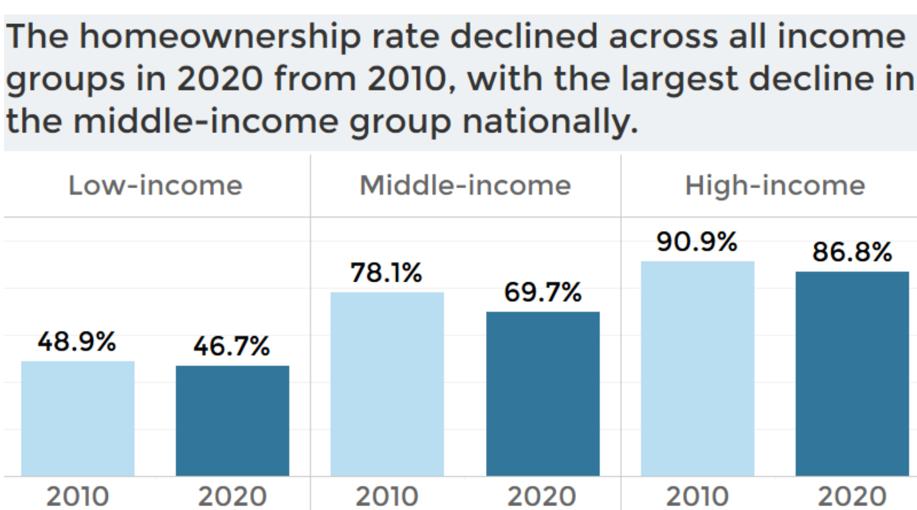
	2010	2020
Low-income	26,361,657	20,584,339
Middle-income	31,523,664	32,502,807
High-income	11,354,091	22,490,123

Distribution of Housing Wealth by Income Group from 2010 to 2020

Low-income homeowners comprised a smaller fraction of all homeowners in 2020, at 27.2% from 38.1% in 2010. Middle-income homeowners also comprised a smaller fraction of homeowners in 2020, at 43% from 45.5% in 2010. Conversely, high-income homeowners made up a larger fraction, at 29.8% from 16.4% in 2010. Still, over a 10-year period, the number of middle-income households living in 917 metropolitan/micropolitan areas rose from 31.52 million to 32.50 million, or an increase of nearly 980,000 households.

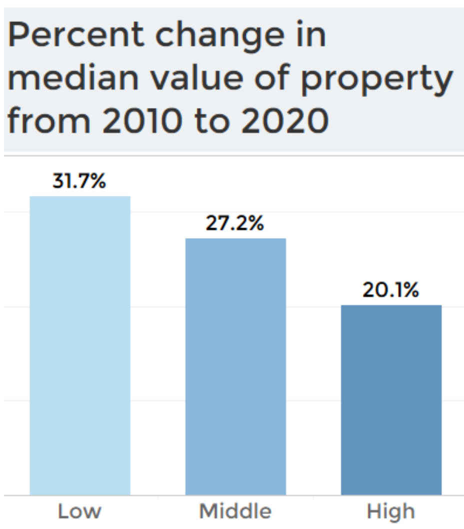
Since the Great Recession, the homeownership rate has declined across all income groups, with the largest decline in the middle-income homeownership rate, falling from 78.1% to 69.7%, about eight percentage points. Smaller rates of decline in homeownership rates were observed for low-income households, at two percentage points, and high-income households, at four percentage points.

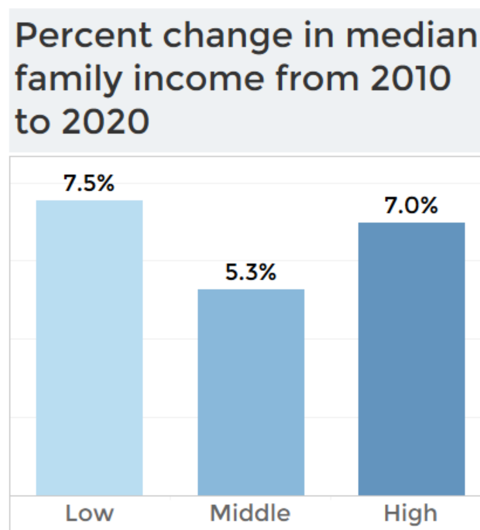




Distribution of Housing Wealth by Income Group from 2010 to 2020

Middle-income households had the lowest increase in income, at 5.3%, while home values rose 27.2%. The median property value of homes owned by the low-income group experienced the fastest increase, at 31.7%, compared to the pace of appreciation of property values owned by the middle- and high-income groups, at 27.2% and 20.1% respectively. The strong price growth of homes owned by low-income households implies a shortage of homes that are affordable for the low-income households. Compared to the strong price growth, the median family income (homeowner and renters) increased by just 7.5%.





Housing statistics on middle-income households in 2010 and 2020

	2010	2020
Number of owner-occupied housing units	31,523,664	32,502,807
Change in number of households from 2010 to 2020		979,142.7
Percent to total owner-occupied units	45.5%	43.0%
Middle income housing wealth	$6,983B	$9,054B
Change in housing wealth		$2,071.0B
Percent of housing wealth to total	43.8%	37.5%
Homeownership rate	78.1%	69.7%
Median property value	$194,371	$247,231
Percent change in median property value		27.2%
Median family income	$76,865	$80,911
Percent change in median family income		5.3%
Mortgage payment-to-income	14.2%	14.2%
Median property value-to-income	2.5	3.1

Source: NAR calculations based on the 2020 American Community Survey, 1-year PUMS

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